

806 KAR 13:040. Automobile fleet insurance defined.

RELATES TO: KRS 304.13-121

STATUTORY AUTHORITY: KRS 304.2-110

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110 provides that the Executive Director of Insurance may make reasonable rules and administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code. This administrative regulation provides a uniform definition for purposes of "fleet" insurance on automobiles.

Section 1. A fleet of automobiles for either vehicle damage or liability coverage is defined as five (5) or more private passenger or commercial automobiles owned and operated by an individual partnership, firm, or corporation.

Section 2. For the purposes of this definition, a leased automobile may be construed as an "owned automobile," provided there is a written agreement of lease for a term of not less than one (1) year. The lease agreement shall stipulate that lessor shall not enjoy the use of control of the leased vehicle during the term of the lease. Buses leased to and operated by the Commonwealth through any of its agencies or the common school system may be written as a fleet even though the period of the lease is for a term of less than one (1) year and notwithstanding the fact that the lessor operates or controls said leased vehicles; however, the term of the insurance must not be for a longer period than the term of the lease. (I-13.08; 1 Ky.R. 865; eff. 5-14-75; Am. 9 Ky.R. 44; eff. 9-8-82; TAm eff. 8-9-2007.)